

# Delivering the Future Today

## Dependent Day Care Expense Requirements

Dependent day care expenses are those incurred to allow you and your spouse, if married, to work while your dependents are being cared for. Dependent day care expenses must be incurred for services received after the effective date of your election and during the plan year to which it applies. The expenses must be for a qualifying individual. This includes a dependent younger than age 13, a spouse, or other dependents who are physically or mentally incapable of self-care and for whom you are entitled to claim as a dependent on your federal tax return.

The dependent day care services must be provided by an eligible dependent day care provider. This includes a licensed day care facility that complies with applicable state and local laws and any individual who is not a tax dependent of yours or a child of yours age 19 or older.

Dependent day care expenses must be for services incurred, not for services to be provided in the future. Dependent care expenses can only be reimbursed up to the amount available in your account. The annual expense reimbursement may not exceed the lesser of your earned income, if married; your spouse's earned income; or \$5,000 (\$2,500 if married, filing separate income tax returns). You must file Form 2441 annually with your individual tax return identifying all your dependent care providers.

## Healthcare Expense Requirements

Healthcare expenses must be incurred for services received after the effective date of your election and during the plan year to which it applies. Each individual, allowed to incur expenses under the same plan, generally includes a dependent younger than age 19 or, if older, is a full-time student whom you are entitled to claim as dependent on your federal tax return as well as a spouse or other tax dependents who are physically or mentally incapable of self-care.

All expenses must be for services incurred, not for services to be provided in the future. In addition, the expenses cannot have been reimbursed and must not be reimbursable by insurance or any other source. You cannot claim the same expenses as a deduction on your annual income-tax return. Other ineligible items include individual insurance premiums, other group insurance premiums and long-term care expenses.

## Questions?

If you have any questions or wish to obtain your account balance via our IVR system, please call PayFlex at **800.284.4885**. Customer service representatives are available 7:00 am - 7:00 pm CST, Monday - Friday.

## Special Plan Rules

- You may only enroll in a Flexible Spending Account during open enrollment or when you first become eligible. This enrollment covers your pay periods from your effective date through the end of the plan year.
- Once you establish your plan year contribution, you may only change it if you experience a change in status.
- Any amount(s) left in your account(s) at the end of the plan year will be forfeited. If your employer has implemented a "grace period", forfeitures may be eliminated or minimized.
- You may file claims through the run out period as established by the plan as long as the claims were incurred during the plan year.
- If you haven't enrolled in your employer's health plan, you can still participate in a Flexible Spending Account. If you or your family members are covered by health insurance elsewhere, you can still claim qualifying out-of-pocket healthcare expenses under the Flexible Spending Account.
- Remember that your expenses must be incurred during your period of coverage. Expenses are considered as having been incurred when you are provided with the healthcare or dependent day care and not when you are formally billed, charged for or pay for the care.

## Change in Status Rules

Internal Revenue Service (IRS) guidelines may allow you to change your plan contribution during the plan year for one of the following conditions:

- Change in legal marital status (marriage, divorce, legal separation, annulment or death of a spouse)
- Change in number of tax dependents (birth, adoption or death)
- Change in employment status that affects eligibility
- Dependent satisfying or ceasing to satisfy coverage requirements (reaching limiting age, gain/loss of student status, marriage)
- Change in residence that affects eligibility

To apply for a change, you must complete a change-in-election form through your employer's Human Resources/Benefits department within 30 days of the date of the event.



[www.mypayflex.com](http://www.mypayflex.com)



# An FSA Is Your Key To Tax Savings





PayFlex invites you to go online and go green wherever you see this symbol.

What is an FSA?

An FSA is a Flexible Spending Account which is authorized by the IRS and available through your employer. There are two types of Flexible Spending Accounts available - a healthcare account and a dependent day care account. Both accounts allow you to set side money for eligible expenses on a pre-tax basis.

Eligible healthcare expenses include deductibles, co-pays, coinsurance and certain over-the-counter (OTC) items which are not covered by your medical, dental, prescription or vision programs.

Eligible dependent day care expenses include day care, before and after school programs, nursery school or preschool, summer day camp and even adult day care. A dependent day care account reimburses you for expenses that allow you and your spouse, if married, to work while your dependents are being cared for.

As you incur healthcare and/or dependent day care expenses, you may submit a claim for those expenses to get reimbursed with tax-free dollars from your PayFlex account. By enrolling in a healthcare FSA and/or dependent day care FSA, you will pay less in income taxes because your contributions are deducted from your pay on a pre-tax basis. An FSA truly is your key to tax savings! To view a listing of eligible healthcare or dependent day care expenses, visit our website at [www.mypayflex.com](http://www.mypayflex.com).

How do I get started?

Your employer has made enrolling in an FSA easy. During your annual enrollment period, you will be allowed to put aside a portion of your salary on a pre-tax basis. The amount you choose to set aside will be deducted from your paycheck in equal amounts each pay period throughout the plan year. If you decide to enroll in a healthcare and/or dependent day care FSA, you will need to estimate the amount you will spend for out-of-pocket healthcare and/or dependent day care expenses during the plan year.

When estimating your expenses, please remember that several over-the-counter items such as aspirin, pain relievers and cold/sinus medicines, just to name a few, are also eligible for reimbursement. To assist in estimating your out-of-pocket expenses, use the FSA Planning Worksheet at the right or visit [www.mypayflex.com](http://www.mypayflex.com) to use our Savings Calculator or to print expense planning worksheets.

FSA Tax Savings Example

Annual Tax Savings	Without an FSA	With an FSA
Salary	\$50,000	\$50,000
Annual Pre-tax Election	\$0	(\$3,000)
Taxable Income	\$50,000	\$47,000
Taxes Withheld (30.65%)	(\$15,325)	(\$14,405)
Annual After Tax Expenses	(\$3,000)	\$0
Take Home Pay	\$31,675	\$32,595
Increase in Take Home Pay w/ an FSA	\$0	\$920

FSA Planning Worksheet

HEALTHCARE EXPENSES

Annual Estimate

Medical Expenses not covered by Insurance

Deductibles, co-pays, coinsurance

Physician co-pays, prescription co-pays

Chiropractic treatments

Over-the-counter medicines

Other

Subtotal medical expenses

Dental Expenses not covered by Insurance

Annual deductible

Crowns/bridges/dentures coinsurance

Oral surgery coinsurance

Orthodontia

Root canals

Other

Subtotal dental expenses

Vision/Hearing Expenses not covered by Insurance

Exams

Frames/lenses

Prescription sunglasses

Contact lenses & cleaning solutions

Corrective eye surgery (LASIK, cataract etc.)

Hearing exams/hearing aids & batteries

Other

Subtotal vision/hearing

TOTAL HEALTHCARE EXPENSES

DEPENDENT DAY CARE EXPENSES

January

February

March

April

May

June

July

August

September

October

November

December

TOTAL DEPENDENT DAY CARE EXPENSES

How do I get reimbursed?

As you incur healthcare and/or dependent day care expenses, you may submit a claim for reimbursement online at [www.mypayflex.com](http://www.mypayflex.com) via **Express Claims** or complete a paper claim and fax or mail to PayFlex. Reimbursements are made on a scheduled basis which is determined by your employer, however you can file claims as often as you would like. Your FSA dollars will be used for reimbursement which will be provided by check or direct deposit into your bank account. You may elect to have your reimbursements deposited directly into your checking or savings account, simply by providing your account information online via the **Direct Deposit** link at [www.mypayflex.com](http://www.mypayflex.com).

How do I submit a claim online?

The process for submitting a claim online using **Express Claims** is quick, easy and always available.

Simply go to [www.mypayflex.com](http://www.mypayflex.com), click on **Login** and enter your username and password, then click **Submit**. Select **Express Claims** located on the left navigation bar, then enter your claim information; type of expense, date of expense, and the amount of expense. To add additional claims, select **Add Claim**. Once you have entered in all of your claims, click **Submit**, review your claim information and confirm by clicking **Submit**. You will have the option to "Fax" or "Upload" your supporting documentation. Uploading your documentation will save paper and will allow PayFlex to process your claim quicker. If you select "Fax", print and sign the form and fax claim and itemized receipts or Explanation of Benefits (EOB) to **866.932.2567**. You will receive an email from PayFlex notifying you when your claim has been processed.

Reimbursement Methods	
Express Claims:	<a href="http://www.mypayflex.com">www.mypayflex.com</a>
Fax:	402.231.4310
Mail:	PayFlex Systems USA, Inc. PO Box 3039 Omaha, NE 68103-3039



How do I access the balance in my account?

To check the balance in your account, view transactions, or your claim history, go to [www.mypayflex.com](http://www.mypayflex.com), click on **Login** and enter your username and password, then click **Submit**. On the Accounts page, click **Select** for the plan year you wish to view. You will now be able to access your account balance, as well as claim and transaction history.

What if I don't use all the money in my account? Will I lose it?

Money left in your account at the end of the plan year is forfeited. However, if your employer has elected to include a "grace period" within your plan, you will be allowed an additional 2 1/2 months after the end of your plan year to use your FSA funds. For example, if your plan year ends on December 31, your employer will allow expenses to be incurred through March 15. You can avoid forfeitures by carefully reviewing your prior year's expenses and planning only for predictable costs.

In addition, PayFlex has established partnerships with various online vendors to help you spend your FSA dollars more efficiently. Accessible via our website, you can buy items such as glasses, contacts, and eligible over-the-counter medications using your PayFlex™ Card (if available through your employer), or any other major credit card. When using your own credit card, make sure to keep the receipt you receive from your purchase and submit to PayFlex along with a claim form for reimbursement.

What is available online at www.mypayflex.com?

- Account Information
- FSA Tutorial
- Savings Calculator
- Expense Planning Worksheets
- Listing of Eligible & Ineligible Expense Items
- Frequently Asked Questions
- Administrative Forms & Publications
- IRS Forms & Publications



Go online and go green!  
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